

MICHIGAN BAC FRINGE BENEFIT FUNDS

Michigan BAC Health Care Fund
Michigan BAC Pension Fund
Michigan BAC Apprenticeship Fund

December 2003

TO: All Eligible Participants of the Michigan BAC Health Care Fund

RE: Michigan BAC Health Care Fund – Eligibility Modifications

Dear Participant:

Minimum Coverage Self-Payment Program

The Board of Trustees recognizes that the self-payment for Health Care coverage has become extremely costly when a participant is unemployed and does not have sufficient employer contributions to maintain eligibility, therefore a new self-payment program has been developed. This new self-payment program which will be effective January 1, 2004 is called the “Minimum Coverage” Self-Payment Program.

The “Minimum Coverage” Self-Payment Program will provide less costly coverage with reduced or “minimum” benefits. The benefits available under the “Minimum Coverage” program will be provided under the Blue Cross Blue Shield of Michigan (BCBSM) *Preferred Provider Organization* (PPO) and are as follows:

- A one thousand dollar (\$1,000) deductible per person, and two thousand dollar (\$2,000) deductible, per family
- Twenty-percent (20%) co-payments after the deductible for all services
- **No coverage will be provided for prescription drugs, dental, hearing or vision benefits**

Please refer to the enclosed Benefits-At-A-Glance for specific details regarding the coverage.

To find out if your physician participates in the BCBSM PPO, you can simply call your doctor, or you can call the BCBSM customer service office at 1-800-411-1141 or you can visit the BCBSM web site at www.bcbsm.com.

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Participants will be offered the opportunity to elect “Minimum Coverage” when their eligibility via employer contributions has terminated. Once “Minimum Coverage” is elected, the participant **cannot** elect “Regular Coverage” until such time as he has reestablished eligibility through employer contributions. Participants must continue to meet all of the eligibility provisions for participation in the self-payment program.

The monthly self-payment for the “Minimum Coverage” program is as follows:

Single Coverage	\$171.57
Two Person Coverage	360.34
Family Coverage	403.22
Family Continuation Coverage (Dependents 19-25)	85.79

If you are currently remitting self-payments and would like to switch to the “Minimum Coverage” self-payment program, please contact the Fund Office. This is the only opportunity you will be given to elect the “Minimum Coverage” self-payment program until such time as you reestablish via employer contributions and your coverage again terminates due to lack of employer contributions. The “Minimum Coverage” self-payment program is **not** available to retirees.

Retiree Self-Payment Program

Effective January 1, 2004 a new provision will be added to the requirements for participation in the retiree self-payment program as follows:

- The participant must have been eligible by way of employer contributions in at least five (5) of the ten (10) years immediately preceding his retirement.

If you have any questions regarding these changes, please do not hesitate to contact the Fund Office.

Sincerely,

Michigan BAC Health Care Fund
Board of Trustees

Enclosure

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